

Sample Data and Table of Contents



Technology Across the Supply Chain

“Competitive advantage or balance sheet burden?”

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In its latest published research, **Technology Across the Supply Chain**, Analytiqa surveyed over 100 manufacturers, retailers and third party logistics providers (3PLs) in Eastern and Western Europe to:

- Provide market shares of the leading technology systems providers
- Evaluate customer satisfaction with technology systems and implementers
- Identify the technology strategies 3PLs must be adopting
- Understand future technology investment strategies

Technology Across the Supply Chain

Analytiqa conducted an extensive survey in Q3, 2005, speaking to over 100 supply chain and IT directors in leading companies across Eastern and Western Europe. After benchmarking the leading technology providers and implementers by system type (process, inventory, warehouse and transport management systems) and geography (Eastern and Western Europe) the research identifies customer satisfaction with their technology systems and 'partners'. The report then analyses the impact that software providers, implementers, location (geography) and industry market sectors have on the market dynamics, including investment strategies and timescales for future change.

Playing a unique role as both provider and customer of supply chain technology solutions, the research examines third party logistics providers, their levels of interaction with both technology companies and their clients – together with the quality and variety of services that they are now asked to perform. Finally, the research quantifies future trends for technology in the logistics sector, including the use of mobile technology and RFID, together with the priorities for future technology investment.

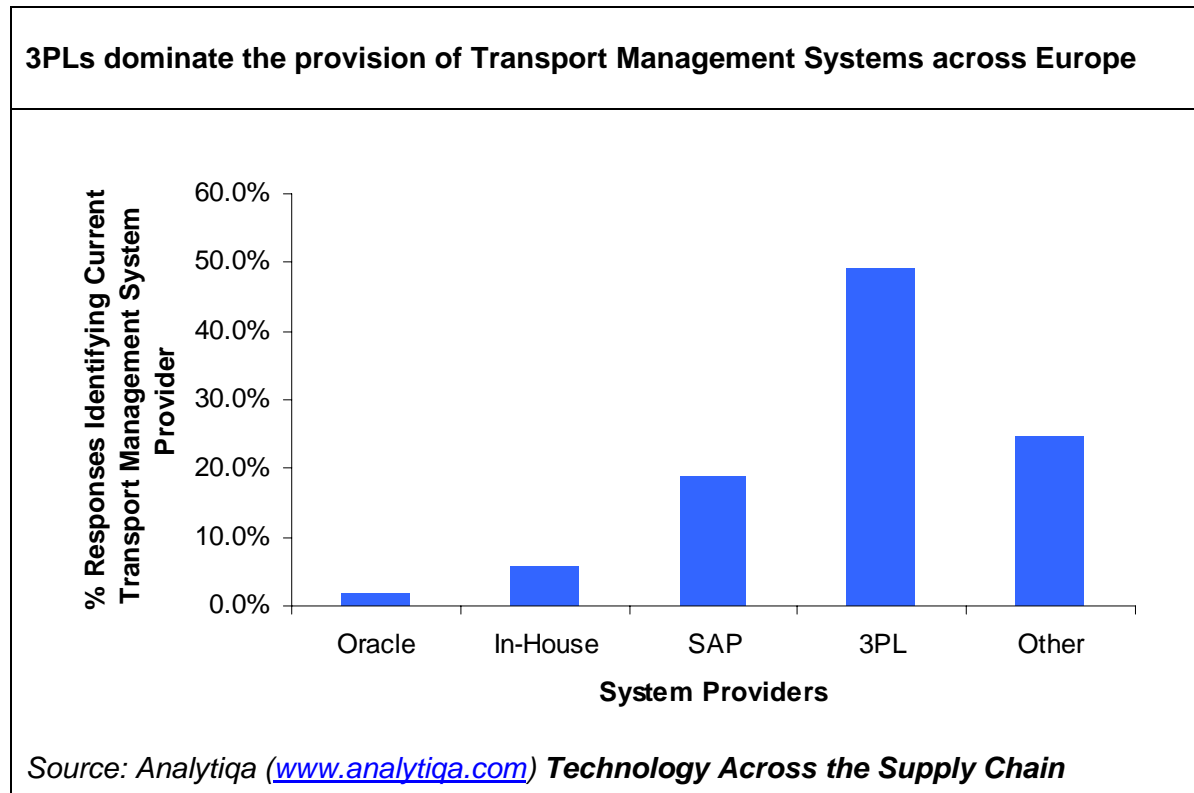
At all times, the research was placed in the context of modern logistics operations. These include the consolidation of supply chain structures to cost-efficient locations, moves towards process based working and the globalisation of supply chains.

Transport Management Systems move out of first gear

Whilst transport management systems (TMS) have, historically, been the least developed areas of the technological supply chain, technology providers and 3PLs are readdressing the balance. The role that 3PLs are playing in this development is especially important as Analytiqa research found that where supply chain functions are outsourced, 49.1% of companies rely on a 3PL to provide their TMS, whilst only 21.7% of such companies entrust their Warehouse Management System (WMS) to a 3PL.

3PLs may chose to use a system supplied by a specialist technology provider or they may chose to provide an in-house solution. This demonstrates a key challenge facing the more traditional providers of TMS.

Whilst they may be of the “best-in-class” variety, as process systems begin to encroach on their area of business, providers of these specialist TMS are being forced to be more innovative in order to “justify” their extra connectivity and visibility issues.



“The answer to underperforming, cutting edge technology is more cutting edge technology”

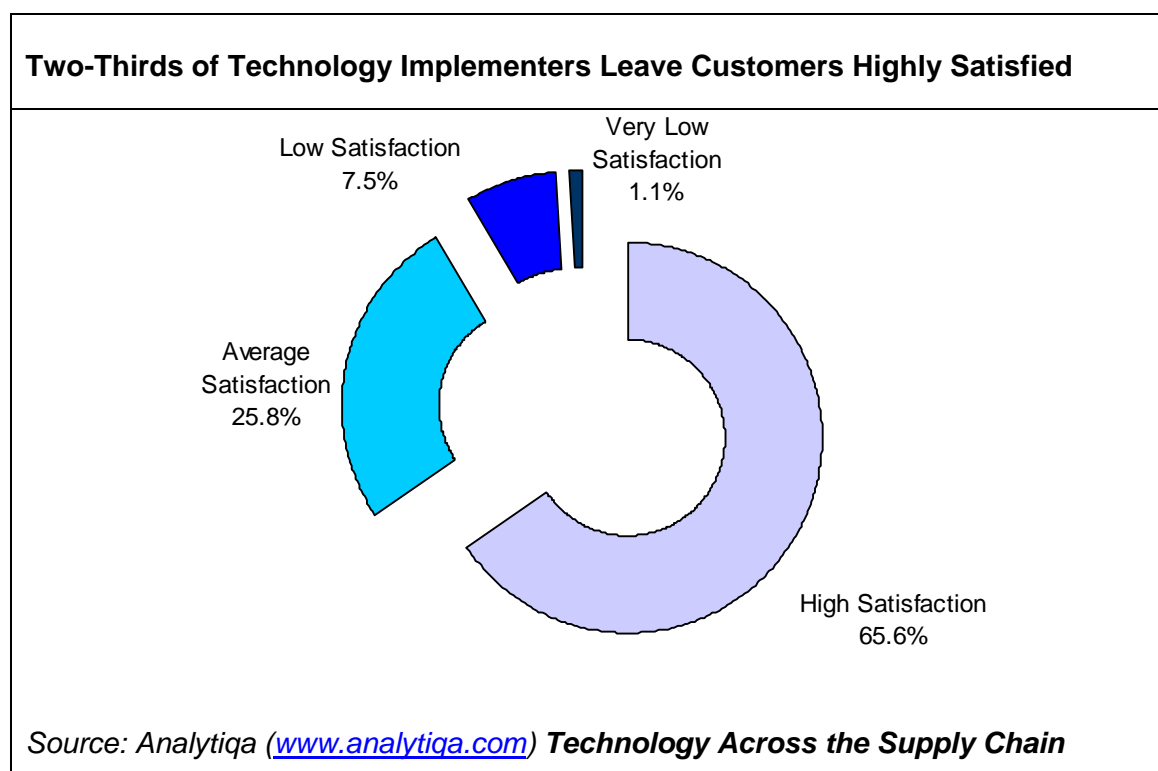
Customer experiences contrast sharply to the promotional campaigns of the leading technology systems providers. Whilst technology systems are advertised as being robust, scaleable and cost effective, Analytiqa uncovered a degree of scepticism surrounding such claims. These are often interpreted by the customer as “the answer to underperforming, cutting edge technology is more cutting edge technology”.

The tension between Enterprise Resource Planning (ERP) type systems and “best-in-class” systems is a common theme, particularly with WMS, as Analytiqa’s research highlighted a greater level of dissatisfaction with systems in Eastern Europe than in Western Europe.

An important factor affecting the success of a WMS implementation and subsequent satisfaction with the system is the degree of understanding which is brought to the planning process. This is reflected in the importance companies place in the experience of systems implementers, which cannot be underestimated. Part of the reason that systems are not used to their full potential is due to the complexity of the processes they are required to manage. This problem is most prominent in the case of ERP systems.

However, when it comes to employing a technology implementer, Analytiqa’s research highlights that the majority of providers leave customers highly satisfied with their services.

A major source of ‘end-user’ dissatisfaction lies with “in-house” technology systems implementers who do not possess the necessary expertise they would claim to have. A cause of many of the failed or “disastrous” implementations is a desire to keep costs to a minimum, overlooking the use of more appropriate implementers.



Sample survey quotes and statistics taken from “**Technology Across the Supply Chain**”:

“In terms of market share of inventory management software providers, there is a significant difference between the retail sector and the manufacturing sector”

“Although SAP and Oracle dominate the WMS market, both companies command a lower market share than they achieve in the process and inventory management sectors”

“EU as an agent of change: Meeting new EU legislation is the fourth most important factor driving the technology systems improvements”

“For 3PLs, attempting to compete with specialist technology providers is no longer seen as an appropriate business development strategy – they must segment their technology service offering according to the needs and capabilities of their customers.”

“Of the companies which have made major WMS improvements within the last two years, at least 25.0% of them will make a major improvement within the next two years”

In a unique piece of research analysing the use of technology across logistics operations, “**Technology Across the Supply Chain**” addresses the following areas:

- Market shares of leading supply chain software providers
- Technology implementation strategies of European manufacturers and retailers
- Satisfaction with technology systems and implementers
- Role of 3PLs in supply chain technology and the opportunities it presents to them
- Obstacles that remain a threat to widespread RFID implementation
- Future developments of supply chain technology: planned implementations and key future logistics challenges

For more details about the specific issues raised in this research, please contact Analytiqa on **+44 (0) 1707 37 22 11** or email info@analytiqa.com

More details including a marketing brochure can be viewed online at www.analytiqa.com

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About Analytiqa

Analytiqa is a market analysis and business intelligence company providing published reports and databases, custom research and consulting for multi-national clients across a number of industry sectors from Logistics and Distribution through to FMCG and Professional Services. Analytiqa works closely with its clients, building partner relationships based on trust and the delivery of high quality and commercially relevant research. Analytiqa's services correspond to client's demanding requirements, assisting with their business development and profitability objectives.

As a business information provider, Analytiqa is positioned between the logistics providers and their customers to provide the industry with commercially relevant business intelligence. Analytiqa works closely with logistics providers to source new customers and to better help them understand their existing clients.

Similarly, retailers and manufacturers use Analytiqa's logistics company profiles, databases and research services to analyse the operational and service capabilities of logistics providers and to benchmark the services they receive from their logistics providers against those of their own competitors.

To discuss the issues raised in this article, or any of the products and services offered by Analytiqa please call us on **+44 (0) 1707 37 22 11** or Email: info@analytiqa.com